

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20036

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(202) 955-9792
www.kelleydrye.com
TRA DOCKET ROOM

MELISSA CONWAY
DIRECT LINE (202) 955-9667
EMAIL mconway@kelleydrye.com

December 28, 2005

VIA UPS

Ms. Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: **Docket 05-00334: Informational Filing Regarding a Pro Forma Internal Restructuring Involving XO Communications Services, Inc. – Data Request #1**

Dear Ms. Dillon:

Enclosed for filing with the Tennessee Regulatory Authority (“Authority”) is an original and thirteen (13) copies of the responses of XO Communications Services, Inc. to the Authority’s December 20, 2005 Data Request No. 1.

Also enclosed is a duplicate copy of this filing, and a self-addressed, postage paid envelope. Please date stamp the duplicate and return it in the envelope provided. Please contact the undersigned at (202) 955-9667 or via email at mconway@kelleydrye.com if you have any questions or require any additional information.

Respectfully submitted,

Melissa Conway ~~HH~~
Melissa Conway

- (1) Has XOCS made similar filings in other states and what is the status of any such filing?**

Yes, XOCS has made similar informational notification filings in all other states in which XOCS is authorized to provide telecommunications services. To date, a few states have notified us that they require approval of the restructuring. Filings currently are pending approval in the following states: Arizona, Minnesota (uncertain at this time whether approval will be required), North Carolina and West Virginia.

- (2) Has XOCS made a similar filing with the FCC or other federal agency? If so, list any action taken and the associated file(s) and/or file number(s). If a schedule to complete the review or your filing has been established by any federal agency, provide such with your response.**

Yes, XOCS has made a similar informational notification filing with the FCC. Because the restructuring is pro forma in nature, it does not require FCC approval; thus, XOCS filed a Section 63.24(f) notification of pro forma transfer of control on December 15, 2005. No action is required by the FCC or any other federal agency.

- (3) How many customers does XOCS currently have in Tennessee?**

Currently, XOCS has approximately 10,804 customers in Tennessee.

- (4) What telecommunications services will XOCS continue to provide under its current CCN in Tennessee after the restructuring?**

After the restructuring, XOCS will continue to provide the interexchange and competitive local exchange services that it currently provides.

- (5) Confirm that XOCS will continue to operate and/or provide service under its current name and CCN issued by the Authority, and its business license as filed with the Tennessee Secretary of State's Office.**

Yes, XOCS will continue to operate under its current name and CCN issued by the Authority, and its business license as filed with the Tennessee Secretary of State's Office.

- (6) Provide copies of all current CCNs of XOCS issued with the Authority.**

The TRA granted XO Tennessee, Inc authority to provide telecommunications services originally in Docket No. 98-0252 on September 29, 1995. The CCN was transferred to XOCS in Docket No. 04-00212 on October 7, 2004. A copy of the Order approving the transfer of authority is appended hereto as *Attachment A*.

- (7) Provide a signed statement and/or written documentation from XOCS' attorney or legal party representative verifying that the information contained in the informational filing is true and correct to their best knowledge, information, and belief.**

XO respectfully requests that due to holiday schedules, it may late file a verification from an officer of the company verifying that the information contained in the informational filing is true and correct.

- (8) Will the parties enter financing transactions related to the proposed restructuring? If so, will XOCS be a signatory, pledge assets, or provide a guarantee to such financing? If so, please provide documentation showing the specific financing arrangement(s) that will be used for the proposed restructuring.**

No, XOCS will not be a signatory, pledge assets or provide a guarantee or any other security in connection with any financing transaction.

ATTACHMENT A

Copy of Order approving transfer of CCN to XOCS

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE

October 7, 2004

IN RE:

PETITION OF XO TENNESSEE, INC. AND XO
COMMUNICATIONS SERVICES, INC. FOR APPROVAL
OF TRANSFER OF AUTHORITY

DOCKET NO.
04-00212

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Pat Miller, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on August 9, 2004 for consideration of the Petition of XO Tennessee, Inc. ("XO TN") and XO Communications Services, Inc. ("XO Communications") (together, "Parties" or "XO Subsidiaries") for TRA approval of a transfer of authority to provide telecommunications services required under Tenn. Code Ann. § 65-4-113.

Tenn. Code Ann. § 65-4-113

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain TRA approval to transfer its authority to provide utility services (also known as a "certificate of public convenience and necessity" or "CCN"). Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

Background

By an Order dated September 29, 1995 in TRA Docket No. 95-02502, the TRA granted XO TN the authority to provide telecommunications services in the State of Tennessee ("CCN" or "XO's CCN"). Both XO TN and XO Communications¹ are direct, wholly owned subsidiaries of XO Communications, Inc. ("XO"). The same team of telecommunications personnel manages both XO TN and XO Communications, and the XO Subsidiaries also share one team of consumer representatives.

The Petition

In the Petition, which was filed with the TRA on July 16, 2004, the XO Subsidiaries outline a transaction in which they will be consolidated into a single operating entity, which will continue as XO Communications. After the consolidation, XO will remain the ultimate corporate parent of XO Communications, and XO TN will cease to exist by operation of law. XO TN's CCN will transfer to XO Communications, which will become the direct holder of the CCN and provider of telecommunications services in Tennessee. XO will remain the ultimate owner of the CCN.

The Parties contend that the proposed transfer of operating authority from XO TN to XO Communications will be virtually transparent to Tennessee consumers and have no adverse impact on them. XO Communications will provide end users the same services XO TN provided, from the same qualified personnel and at substantially similar rates, terms, and conditions. Customers will continue to see "XO" on their invoices. According to the Petition, the transaction will benefit the

¹ XO Communications formerly was XO Domestic Holdings, Inc. The company changed its name on June 29, 2004 and was in the process of obtaining the necessary documentation from the Tennessee Secretary of State at the time it filed its Petition with the TRA for transfer of authority. See *Petition*, p. 1 n1 (July 16, 2004).


public by simplifying the XO corporate structure and providing significant reductions in legal, accounting, and administrative burdens. These changes will improve the overall efficiency and competitive ability of XO, leading over time to improved pricing, product and service options for Tennessee consumers

August 9, 2004 Authority Conference

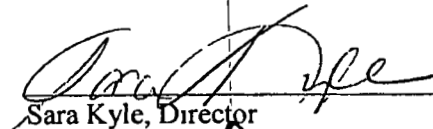
At the August 9, 2004 Authority Conference, the Directors voted unanimously to approve the Petition pursuant to a finding of compliance with the requirements of Tenn. Code Ann. § 65-4-113.

IT IS THEREFORE ORDERED THAT:

1. The Petition of the XO Subsidiaries is approved.
2. The proposed transfer of XO TN's CCN as described in the Petition and discussed herein is approved.
3. XO Communications is directed to file documentation showing approval from the Tennessee Secretary of State of the name change from XO Domestic Holdings, Inc. to XO Communications Services, Inc.



Pat Miller, Chairman



Sara Kyle, Director



Ron Jones, Director